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9 Inc., the Plan Administrator
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HONORABLE TIMOTHY W. DORE
CHAPTER 11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:

Lawrence Kates,

Debtor.

No. 09-10188-TWD

**DECLARATION OF TEREZA
SIMONYAN IN SUPPORT OF
MOTION TO APPROVE SALE OF
REMAINING ESTATE PATENT-
RELATED ASSETS TO STALKING
HORSE BIDDER OR OTHER
PREVAILING BIDDER UNDER
PROPOSED BID PROCEDURES**

Tereza Simonyan declares as follows:

1. I am an attorney with the firm of Lane Powell PC, counsel for The Stapleton Group, Inc., the Plan Administrator (the "PA") under the confirmed Plan of Reorganization in the Chapter 11 case of Lawrence Kates (the "Debtor"). This declaration supports the Plan Administrator's Motion for Order Approving Sale of Remaining Estate Patent-Related Assets to Stalking Horse Bidder or Other Prevailing Bidder Under Proposed Bid Procedures (the "Sale Motion"). I am competent to testify and I make this declaration based upon my own personal knowledge.

2. On June 11, 2013, I contacted Mr. Lawrence Kates, the Debtor in this case, and the Stalking Horse Bidder, as defined under the Sale Motion, via email and provided a

DECLARATION OF TEREZA SIMONYAN IN SUPPORT OF MOTION TO
APPROVE SALE OF REMAINING ESTATE PATENT-RELATED ASSETS TO
STALKING HORSE BIDDER OR OTHER PREVAILING BIDDER UNDER
PROPOSED BID PROCEDURES

124867.0001/5757486.1

LANE POWELL PC
1420 FIFTH AVENUE, SUITE 4100
SEATTLE, WASHINGTON 98101-2338
206.223.7000 FAX: 206.223.7107

1 deadline of 4:30 p.m. on June 14, 2013 (the "Deadline"), to submit an increased bid for the
2 purchase of the patent-related assets that are the subject of the Sale Motion. True and
3 accurate copies of the June 11, 2013 emails are attached hereto as **Exhibit A**.

4 3. Mr. Kates did not submit an increased offer on or before the expiration of the
5 Deadline.

6 4. The Stalking Horse Bidder submitted an increased offer in the amount of
7 \$40,000 before the expiration of the Deadline. A true and accurate copy of the email with the
8 increased offer is attached hereto as **Exhibit B**.

9 5. On July 19, 2013, counsel for the Post-Confirmation Creditors' Committee
10 (the "PCC") confirmed PCC's consent to the sale of the patent-related assets that are the
11 subject of the Sale Motion, pursuant to the bidding procedures and other terms set forth in the
12 Sale Motion.

13 I declare under penalty of perjury under the laws of the State of Washington and the
14 United States that the foregoing is true and correct.

15 DATED this 30th day of July, 2013.

16
17 /s/ Tereza Simonyan
Tereza Simonyan
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DECLARATION OF TEREZA SIMONYAN IN SUPPORT OF MOTION TO
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EXHIBIT “A”

Simonyan, Tereza

From: Simonyan, Tereza
Sent: Tuesday, June 11, 2013 4:39 PM
To: 'larry@lkates.com'
Cc: david@stapletoninc.com; Anthony Craig (agc@sci-law.com)
Subject: Patents
Attachments: AppendixLots1to6_02202012v2.pdf

Mr. Kates,

Following up on your email correspondence with David Stapleton regarding the purchase of the remaining patent lots (described in the attached appendix), this is to let you know that you are currently the highest bidder for these patents. Unless we receive a higher bid by other another qualified bidder by **4:30 pm on Friday, June 14, 2013**, we will file a motion with the court for approval of the sale of these patent lots to you as the stalking horse bidder for the amount of \$30,000, or another qualified bidder with the highest bid submitted by a time and date to be prescribed in that motion. If you wish to increase your bid to ensure that you preserve your stalking horse bidder status, please do so by sending an email to myself of David Stapleton before 4:30 on June 14. Only the cash component of bids will be considered in determining the winning bidder. If you have any questions regarding this procedure, please let me know.

Warmest regards,

Tereza Simonyan



Attorney at Law, [Bio](#) | [VCard](#)
Lane Powell PC
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101-2338
Direct: 206.223.7082
Cell: 206.239.8227
www.lanepowell.com

Simonyan, Tereza

From: Simonyan, Tereza
Sent: Tuesday, June 11, 2013 4:42 PM
To: [REDACTED]
Cc: Anthony Craig (agc@sci-law.com)
Subject: Kates Patents
Attachments: AppendixLots1to6_02202012v2.pdf

[REDACTED]

Following up on your correspondence with Anthony Craig regarding your \$25,000 offer to purchase the patent lots described in the attached appending, this email is to let you know that a bid in the amount of \$30,000 has been submitted for the purchase of these patents. We intend to file a motion with the bankruptcy court to approve the sale of the patents to the \$30,000 offeror as the stalking horse bidder, or another qualified bidder with the highest bid submitted by a later date to be prescribed in the motion. If your client would like to increase its bid and be the stalking horse bidder, it may do so by sending an email to myself and/or Anthony Craig by **4:30 pm on Friday, June 14, 2013**. If you have any question regarding this procedure, please let me know.

Warmest regards,

Tereza Simonyan



LANE POWELL
ATTORNEYS & COUNSELORS

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EXHIBIT “B”

Simonyan, Tereza

From: [REDACTED]
Sent: Friday, June 14, 2013 4:15 PM
To: Simonyan, Tereza
Cc: Anthony Craig (agc@sci-law.com); [REDACTED]
Subject: Re: Kates Patents

[REDACTED] would like to offer \$40,000 for the patent lots referenced. Please confirm.
Thank you

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].com

On Jun 11, 2013, at 4:41 PM, Simonyan, Tereza wrote:

[REDACTED]

Following up on your correspondence with Anthony Craig regarding your \$25,000 offer to purchase the patent lots described in the attached appending, this email is to let you know that a bid in the amount of \$30,000 has been submitted for the purchase of these patents. We intend to file a motion with the bankruptcy court to approve the sale of the patents to the \$30,000 offeror as the stalking horse bidder, or another qualified bidder with the highest bid submitted by a later date to be prescribed in the motion. If your client would like to increase its bid and be the stalking horse bidder, it may do so by sending an email to myself and/or Anthony Craig by **4:30 pm on Friday, June 14, 2013**. If you have any question regarding this procedure, please let me know.

Warmest regards,

Tereza Simonyan



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This message is private or privileged. If you are not the person for whom this message is intended, please delete it and notify me immediately, and please do not copy or send this message to anyone else.

Please be advised that, if this communication includes federal tax advice, it cannot be used for the purpose of avoiding tax penalties unless you have expressly engaged us to provide written advice in a form that satisfies

IRS standards for "covered opinions" or we have informed you that those standards do not apply to this communication.

<AppendixLots1to6__02202012v2.pdf>